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**THIRD CANADIAN GENERAL INVESTMENT
TRUST LIMITED**

1966

Annual Report

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**THIRD CANADIAN GENERAL INVESTMENT TRUST
LIMITED**

Board of Directors _____

ALEX E. BARRON

T. R. MEIGHEN, Q.C.

HON. RAY LAWSON, O.B.E., LL.D.

HUGH D. SCULLY, LL.D.

A. BRUCE MATTHEWS, C.B.E., D.S.O.

MARTIN L. WILLS

M. C. G. MEIGHEN, O.B.E.

DONALD J. A. WRIGHT

Officers _____

M. C. G. MEIGHEN, O.B.E. - - - - - *President*

HON. RAY LAWSON, O.B.E., LL.D. - - - - - *Vice-President*

MARTIN L. WILLS - - - - - *Vice-President*

ALEX E. BARRON - - - - - *Vice-President and Treasurer*

E. LOUISE MORGAN - - - - - *Secretary*

FREDERIC ALLEN - - - - - *Assistant-Treasurer*

Auditors _____

PRICE WATERHOUSE & CO. - - - - - Toronto

Registrar and Transfer Agent _____

THE CANADA TRUST COMPANY - - - - - Toronto and Montreal

Office of Company _____

4 KING STREET WEST (Telephone 366-2932) - - - - - Toronto

THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting the Annual Report of your Company for the year ended December 31, 1966, consisting of the Balance Sheet, Statement of Income and Expense, and Surplus Accounts, all as reported upon by your Company's Auditors.

The Balance Sheet discloses that the total assets of the Company, as at December 31, 1966, amounted to \$13,857,717. Marketable securities held by your Company were carried on the books of the Company at \$13,636,877. The indicated market value of these securities as at December 31, 1966, was \$24,475,878. The indicated market value, therefore, exceeded the book value by \$10,839,001. If this amount is added to the assets, the total assets of the Company amount to \$24,696,718. From this amount should be deducted the total liabilities of the Company, namely, \$36,798, which leaves a net value of \$24,659,920. After deducting the First Preferred Shares Series A at the call price of \$52.50, namely, \$3,091,043, each of the 1,837,190 Common Shares outstanding as at December 31, 1966 had an apparent equity value of approximately \$11.74.

The Statement of Income and Expense discloses that your Company, after paying all expenses, had net income for the year of \$927,299. After providing \$147,558 for dividends on the First Preferred Shares the balance of net income, namely, \$779,741 was equivalent to 42.4 cents for each of the outstanding common shares.

During 1966 cash dividends totalling \$147,558 were paid or declared on the First Preferred Shares Series A. The common shareholders received stock dividends of 40 cents per share in the form of Second Preferred Shares, which were immediately redeemed, totalling \$734,876.

The Directors have declared on the First Preferred Shares, the regular quarterly dividend of sixty-two and one-half cents per Share, payable April 15, 1967 to shareholders of record March 31, 1967, and on the common shares, a stock dividend consisting of four redeemable Second Preferred Shares of the par value of 5 cents each on each of the common shares outstanding, payable March 30, 1967 to shareholders of record March 15, 1967. The preferred shares to be issued as a stock dividend will be redeemed on March 31, 1967.

The portfolio of investments as at December 31, 1966, is to be found at the back of this report.

Submitted on behalf of the Board.

M. C. G. McQueen

President

TORONTO, January 20, 1967.

THIRD CANADIAN GENERAL

Balance Sheet

DECEMBER 31, 1966

Assets

Marketable Securities (Note 1) - - - - -	\$13,636,877
The indicated market value of these securities as at December 31, 1966 was \$24,475,878	
Cash in Bank - - - - -	220,840
	<u>\$13,857,717</u>

Liabilities

Dividend Payable - - - - -	\$ 36,798
Share Capital (Note 2):	
Authorized—	
119,492 first preferred shares of the par value of \$50 each, issuable in series	
35,302,480 3% non-cumulative redeemable second preferred shares of the par value of 5¢ each	
2,000,000 common shares of no par value	
Issued and outstanding—	
58,877 \$2.50 cumulative first preferred shares series "A" redeemable at \$52.50 per share - - - - -	\$ 2,943,850
1,837,190 common shares - - - - -	9,185,950
	<u>12,129,800</u>
Capital Surplus - - - - -	30,750
Contributed Surplus - - - - -	3,217
Earned Surplus - - - - -	<u>1,657,152</u>
Total Capital and Surplus - - - - -	13,820,919

Approved on behalf of the Board:

M. C. G. MEIGHEN, *Director*

HUGH D. SCULLY, *Director*

\$13,857,717

Auditors' Report to the Shareholders of

THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED:

We have examined the balance sheet of Third Canadian General Investment Trust Limited as at December 31, 1966 and the statements of income and expense, earned surplus, capital surplus and contributed surplus for the year ended on that date. Our examination included an inspection of share certificates and other evidence of the investments held by the company as at December 31, 1966, and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above balance sheet and related statements of income and expense, earned surplus, capital surplus and contributed surplus present fairly the financial position of the company as at December 31, 1966 and its income for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TORONTO, January 9, 1967.

PRICE WATERHOUSE & Co.
Chartered Accountants.

INVESTMENT TRUST LIMITED

Earned Surplus Account

FOR THE YEAR ENDED DECEMBER 31, 1966

Balance January 1, 1966 - - - - -	\$ 992,520
Net income for year - - - - -	\$ 927,299
Dividends paid or declared:	
On First Preferred Shares Series "A" - - - - -	147,558
On common shares in Second Preferred Shares subsequently redeemed -	734,876
	<u>882,434</u>
	44,865
	<u>1,037,385</u>
Transfer from Capital Surplus pursuant to Section 61 of the Canada Corporations Act - - - - -	619,767
Balance December 31, 1966 - - - - -	<u><u>\$1,657,152</u></u>

Capital Surplus Account

FOR THE YEAR ENDED DECEMBER 31, 1966

Balance January 1, 1966 - - - - -	\$ 650,517
Transfer to Earned Surplus pursuant to Section 61 of the Canada Corporations Act - - - - -	619,767
Balance December 31, 1966 - - - - -	<u><u>\$ 30,750</u></u>

Contributed Surplus Account

FOR THE YEAR ENDED DECEMBER 31, 1966

(Discount on first preferred shares purchased for cancellation)

Balance January 1, 1966 - - - - -	\$ 795
Discount on shares purchased during year - - - - -	2,422
Balance December 31, 1966 - - - - -	<u><u>\$ 3,217</u></u>

Statement of Income and Expense

FOR THE YEAR ENDED DECEMBER 31, 1966

Income:	
Dividends received during year - - - - -	\$1,011,851
Less—Allowance for depletion - - - - -	10,009
	<u>1,001,842</u>
Interest earned - - - - -	5,469
	<u>\$1,007,311</u>
Expense:	
Management fee - - - - -	70,038
Directors' fees - - - - -	1,750
Legal fees - - - - -	888
Miscellaneous - - - - -	7,336
	<u>80,012</u>
Net income for year - - - - -	<u><u>\$ 927,299</u></u>

THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED

Notes to the Financial Statements

DECEMBER 31, 1966

1. The carrying value of securities held at December 31, 1966 is as follows:

(a) Securities purchased prior to 1951 are at cost or at market value in 1951 when a portion of the portfolio was written up to approximate market value as part of a capital re-organization.

(b) The securities purchased since 1951 have been recorded at cost.

In addition, the above carrying values have been reduced by the allowance for depletion on securities where the Government of Canada grants such allowances.

Profits (or losses) on sales of securities have been taken at the difference between the proceeds received and the average net carrying value at the date of sale.

The indicated market values of portfolio holdings are the result of pricing the company's holdings at the closing quoted market prices as at December 31. Such amounts do not necessarily represent the value of the total holding in any company which may be more or less than that indicated by market quotations.

2. Share Capital:

	<u>First Preferred</u>		<u>Common</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>
Authorized January 1, 1966 - - - - -	119,642	\$5,982,100	2,000,000	\$10,000,000
Supplementary Letters Patent dated February 14, 1966:				
Cancelled - - - - -	150	7,500	—	—
Authorized December 31, 1966 - - - - -	119,492	\$5,974,600	2,000,000	\$10,000,000
Outstanding January 1, 1966 - - - - -	59,492	\$2,974,600	1,837,190	\$ 9,185,950
Purchased and redeemed - - - - -	615	30,750	—	—
Outstanding December 31, 1966 - - - - -	58,877	\$2,943,850	1,837,190	\$ 9,185,950
	<u>Second Preferred</u>			
	<u>Shares</u>	<u>Amount</u>		
Authorized January 1, 1966 - - - - -	21,628,100	\$ 1,081,405		
Supplementary Letters Patent dated February 14, 1966:				
Authorized - - - - -	41,232,230	2,061,612		
Cancelled - - - - -	(12,860,330)	(643,017)		
Redeemed and cancelled during year - - - - -	(14,697,520)	(734,876)		
Authorized December 31, 1966 - - - - -	35,302,480	\$ 1,765,124		
Outstanding January 1, 1966 - - - - -	—	\$ —		
Issued: March 30, 1966 - - - - -	7,348,760	367,438		
September 29, 1966 - - - - -	7,348,760	367,438		
	14,697,520	734,876		
Redeemed and cancelled: March 31, 1966 - - - - -	7,348,760	367,438		
September 30, 1966 - - - - -	7,348,760	367,438		
	14,697,520	734,876		
Outstanding December 31, 1966 - - - - -	—	\$ —		

THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED

Portfolio of Investments

DECEMBER 31 1966

	Class	No. of Shares		Class	No. of Shares
Alcan Aluminium Ltd. - - - -	Common	5,000	Imperial Oil Ltd. - - - - -	Common	4,000
Algoma Steel Corp. Ltd. - - -	Common	20,000	Industrial Acceptance Corporation Ltd. - - - -	Common	4,000
Argus Corporation Ltd. - - -	Common	30,000	International Nickel Co. of Canada Ltd. - - - - -	Common	3,000
Argus Corporation Ltd. - - -	"C" Prefd.	120,000	Interprovincial Pipe Line Co. - -	Common	2,000
Bank of Montreal - - - - -	Common	500	MacMillan Bloedel Limited - -	Common	5,000
Bank of Nova Scotia - - - -	Common	500	Moore Corporation Ltd. - - -	Common	10,000
Canada Packers Ltd. - - - - -	"A" Prefd.	2,000	P. L. Robertson Mfg. Co. - - -	Common	2,000
Canada Packers Ltd. - - - - -	"B" Common	5,000	Royal Bank of Canada - - - -	Common	1,000
Canadian General Investments Ltd. - - - - -	Common	312,116	Simpsons Ltd. - - - - -	Common	8,000
Canadian Industries Ltd. - - -	Common	3,000	Southam Press Ltd. - - - - -	Common	1,000
Cominco Limited - - - - -	Common	10,000	Steel Co. of Canada Ltd. - - -	Common	10,000
Distillers Corporation Seagrams Ltd. - - - - -	Common	20,000	Stuart, D. A., Oil Co. Ltd. - - -	Common	1,000
Dominion Foundries & Steel Ltd.-	Common	40,000	Trans-Canada Pipe Lines Ltd. - -	Common	1,000
Dominion Textile Co. Ltd. - -	Common	3,000	Union Carbide Ltd. - - - - -	Common	2,000
Fraser Companies Ltd. - - - -	Common	10,000	United Canadian Shares Ltd. - -	Common	1,000
Great Lakes Paper Co. Ltd. - -	Common	10,000	Hiram Walker-Gooderham & Worts Ltd. - - - - -	Common	12,000
Huron & Erie Mortgage Corporation - - - - -	Common	50,000			

